

ELLIS:LAWHORNE

John J. Pringle, Jr.
Direct dial: 803/343-1270
jpringle@ellislawhorne.com

December 18, 2006

FILED ELECTRONICALLY AND ORIGINAL VIA FIRST-CLASS MAIL SERVICE

The Honorable Charles L.A. Terreni
Chief Clerk
South Carolina Public Service Commission
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Joint Application of Acceris Management and Acquisition LLC and First Communications LLC for (i) Approval of the Transfer of Assets, including Customers, of Acceris Management and Acquisition LLC to First Communications, LLC and (ii) the Voluntary Surrender of the Authorizations of Acceris Management and Acquisition LLC
Docket No. 2006-____-C, Our File No. 1202-11380

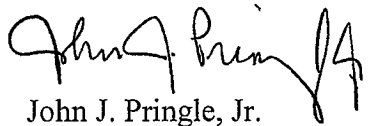
Dear Mr. Terreni:

Enclosed is the original and one (1) copy of the **Application** filed on behalf of Acceris Management and Acquisition LLC and First Communications, LLC in the above-referenced matter.

Please acknowledge your receipt of this document by file-stamping the copy of this letter enclosed, and returning it in the enclosed envelope.

If you have any questions or need additional information, please do not hesitate to contact me.

Very truly yours,



John J. Pringle, Jr.

JJP/cr

cc: Office of Regulatory Staff Legal Department
Ms. Mary Cegelski
Drew S. Backstrand, Esquire
Katherine E. Barker Marshall, Esquire

Enclosures

THIS DOCUMENT IS AN EXACT DUPLICATE OF THE E-FILED COPY SUBMITTED TO THE COMMISSION IN ACCORDANCE WITH ITS ELECTRONIC FILING INSTRUCTIONS.

**Before the
STATE OF SOUTH CAROLINA
PUBLIC SERVICE COMMISSION**

Joint Application of)	
)	
Acceris Management and Acquisition LLC,)	
New Access Communications LLC)	
)	
and)	
)	Docket No. _____
First Communications, LLC)	
)	
for (i) Approval of the Transfer of Assets,)	
including Customers, of Acceris Management)	
and Acquisition LLC)	
to First Communications, LLC; and)	
(ii) the Voluntary Surrender of the)	
Authorizations of Acceris Management and)	
Acquisition LLC)	

APPLICATION

First Communications, LLC ("First") and Acceris Management and Acquisition LLC ("Acceris") (collectively, "Applicants"), by their counsel and pursuant to SC Code Ann. §§ 58-9-300 and 58-9-310, request that the South Carolina Public Service Commission ("Commission") grant them the authority necessary to consummate transactions involving the transfer of assets of Acceris to First. After consummation of the transactions, First will provide telecommunications services to all of the former customers of Acceris. Acceris will cease operations in South Carolina and surrender their authorizations.

On December 5, 2006 in Docket No. 2006-234-C, the Commission approved the transfer of Acceris' large business customer enterprise business ("Business") to First. At that time, Acceris did not surrender its authorization to provide telecommunications services in South

Carolina because it intended to continue to serve customers apart from the Business. First obtained authorization, where necessary, to provide long distance resale service to the Business customers it intended to acquire from Acceris. Applicants are filing the instant application because the Applicants have agreed that First will also acquire certain of the remaining assets of Acceris, including the remaining long distance resale customers. Thus, the Applicants request Commission approval for the transfer of assets, including customers, from Acceris to First. First is already authorized to provide long distance resale services in South Carolina and is ready, willing and able to acquire the assets and continue serving the remaining Acceris customers in a seamless manner. Upon consummation of the transfer of customers from Acceris to First, Acceris requests Commission approval to voluntarily surrender its authorization to provide telecommunications services in South Carolina.

After consummation of the transactions, First will provide service to the Acceris customers. These customers will not experience any loss or impairment of service. They will continue to receive their existing services at the same rates, terms and conditions as at present. Future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. The only material change will be in the customers' service provider. Notice of the change will be provided to customers in accordance with federal rules.

The closing of the transactions are contingent upon the receipt of the necessary regulatory approvals, among other things. Therefore, the Applicants request that the Commission grant all relief sought herein as expeditiously as possible so that the Applicants can close the transactions as soon as practicable, but no later than *March 15, 2007*, to enable the Applicants to meet critical business objectives. In support of this Application, the Applicants provide the following information:

I. APPLICANTS

A. First Communications, LLC

First Communications, LLC is a privately held Ohio limited liability company headquartered at 3340 West Market Street, Akron, Ohio, 44333, (330) 835-2323. First was formed on July 1, 1998 under the laws of the State of Ohio. Currently, McKinley Communications, LLC holds a 51% ownership interest in First, First Energy Corp. holds a 32% interest in First and Boich Investment Group, Ltd. Holds a 17% interest in First. No other entity holds a 10% or greater ownership interest in First.

First is a common carrier that provides local, private line and long distance services to both business and residential customers in several states. Currently, First provides telecommunications services to approximately 100,000 customers located primarily in Ohio, Michigan, Indiana, Illinois, Pennsylvania and Florida. First's services include, in addition to traditional local and long distance services, toll-free services, conference calling packages, calling cards, prepaid calling cards, Internet access and dedicated and private line services. First's telecommunications services are provided primarily on a resale basis using the facilities and switches that are owned and operated by other telecommunications carriers.

First currently is authorized to provide intrastate long distance telecommunications services in all contiguous states except for the following states in which authority is pending: Arizona, Oklahoma, Vermont and Wyoming. First is authorized to provide intrastate long distance and competitive local exchange telecommunications services in Illinois, Indiana, Michigan, Montana, New Jersey, New York, North Dakota, Ohio, Pennsylvania, and Wisconsin.

In South Carolina, First is authorized to provide long distance resale services.¹ With years of experience in the states mentioned above, First has the financial, managerial and technical qualifications needed to provide quality telecommunications services to the customers to be acquired from Acceris and New Access. Indeed, the Commission has already examined the qualifications of First to be an authorized telecommunications provider in South Carolina. First is also authorized by the Federal Communications Commission to provide domestic interstate and international telecommunications services.

B. Acceris Management and Acquisition LLC

Acceris Management and Acquisition LLC, a Minnesota limited liability company also conducting business as Acceris Communications or WorldxChange, is headquartered at 9530 Padgett Street, Suite 101, San Diego, CA 92126, (858) 547-5700. Acceris is a direct, wholly owned subsidiary of North Central Equity LLC ("North Central"), a privately held Minnesota holding company established in 2004, whose executives have many years of experience in the telecommunications industry. Mr. Elam Baer, CEO of North Central, holds approximately 53% of the ownership interests in Acceris indirectly through his holdings in North Central. No other entity holds a 10% or greater ownership interest in Acceris. Acceris is a broad based communications company, serving residential, small and medium-sized business and large enterprise customers throughout the United States. The company provides a range of products from domestic and international long distance voice services to fully managed and integrated data services and enhanced services.

¹ See Docket No. 2006-234-C, Order No. 2006-696 issued December 5, 2006. First received this authority in connection with an Asset Purchase Agreement dated July 11, 2006, between First and Acceris pursuant to which First acquired the Business from Acceris.

Currently, Acceris is authorized to provide long distance telecommunications services in the contiguous 48 states, Hawaii and the District of Columbia, including South Carolina,² except in Alaska. Acceris also is authorized to provide long distance and competitive local exchange telecommunications services in California, Pennsylvania, New York, New Jersey, Florida and Massachusetts. Acceris is also authorized by the Federal Communications Commission to provide domestic and international telecommunications services. After consummation of the transactions, Acceris will surrender its telecommunications authorization in South Carolina.

II. DESIGNATED CONTACTS

The designated contact for this application is:

John J. Pringle, Jr.
Benjamin A. Traywick
ELLIS, LAWHORNE & SIMS, P.A.
1501 Main Street, Suite 500
P.O. Box 2285
Columbia, South Carolina 29202
Telephone: (803) 779-0066
Facsimile: (803) 799-8479

And

Katherine Barker Marshall
KELLEY, DRYE AND WARREN, LLP
3050 K Street, N.W., Suite 400
Washington, D.C. 20007
Telephone: (202) 342-8519
Facsimile: (202) 342-8415

Copies of all correspondence, notices, inquiries and orders in relation to this Application also should be sent to the following:

Mary Cegelski
FIRST COMMUNICATIONS, LLC
15166 Neo Parkway

² See Docket No. 2005-189-C, Order No. 2005-602, issued October 17, 2005.

Garfield Heights, OH 44128
Telephone: (216) 468-1614
Facsimile: (216) 468-1680
E-Mail: mcegelski@firstcomm.com

Drew S. Backstrand, General Counsel
Acceris Management and Acquisition LLC

60 South Sixth Street, Suite 2535
Minneapolis, Minnesota 55402
Tel. (612) 465-0260
Fax: (612) 455-1022

III. DESCRIPTION OF ASSET TRANSFERS

The Applicants have reached an agreement providing for (i) the acquisition by First of certain of the remaining assets of Acceris (except for certain cash equivalent assets retained by Acceris), including the remaining long distance resale customers and any remaining personal property; and, including all local and long distance customers and any personal property such as equipment, switches, and a certain level of working capital (excluding accounts receivable), but not including any federal or state telecommunications authorizations. In South Carolina, the customers being acquired are long distance resale customers only. After consummation of the transactions, Acceris will surrender its telecommunications authorization, and First will provide telecommunication services to the Acceris customers directly pursuant to its own telecommunications authorizations.

The proposed transfer of customers to First will have no adverse impact on customers. The affected customers will continue to receive their existing services at the same rates, terms and conditions that they have prior to the transfer and any future changes in the rates, terms and conditions of service will be made consistent with Commission requirements. To ensure a seamless transition and avoid customer confusion or inconvenience, First will provide advance

written notice to the affected customers at least thirty (30) days prior to the transfer, explaining the change in service provider in accordance with applicable Federal Communications Commission and Commission requirements for changing a customer's presubscribed carrier. Copies of the notification letters that will be sent to the affected customers are appended hereto as *Exhibit A*.

IV. QUALIFICATIONS OF FIRST COMMUNICATIONS, LLC

As the Commission has already determined, First is well-qualified managerially, technically and financially to provide telecommunications services in South Carolina. First's qualifications are on file with the Commission in connection with First's application for authority to operate as a long distance reseller, under Docket No. 2006-234-C. First's management team includes individuals with substantive experience in successfully developing and operating telecommunications business. Consequentially, the company has the adequate internal technical resources to support its South Carolina operations. First has access to the financing and capital necessary to conduct its telecommunications operations and to fulfill any obligations it may undertake with respect to the operation and maintenance of its services. First has successfully provided a range of local and long distance telecommunications services over the past several years.

V. TARIFFS

First's interexchange tariff will be revised to include the same services, rates, terms and conditions as in the existing Acceris tariff for the interexchange customers being acquired by First. Thus, the customers being transferred from Acceris to First will not experience any change in their telecommunications services. The only change will be the new service provider: First

Communications, LLC. Upon consummation of the customers transfers, Acceris requests authority to withdraw its existing tariff in connection with the surrender of its telecommunications authorizations in South Carolina.

VI. PUBLIC INTEREST

The transfer of assets to First will serve the public interest. Acceris has determined that its continuation as telecommunications service provider is no longer consistent with its long term interests. First is a strong company that will continue to provide high quality services to the Acceris customers. First's purchase of the Acceris assets will strengthen First, enable it to expand and better ensure that it remains a viable long-term competitor in the telecommunications marketplace.

At the same time, the proposed transfer of assets does not present any anti-competitive issues. The Applicants emphasize that, following the transfer, the former Acceris customers will continue to receive services from an experienced and qualified carrier, which services will be consistent with the quality of services currently provided by Acceris. First has extensive experience in providing both local exchange and long distance telecommunications services. The Applicants anticipate that customers will experience a seamless transition of service provider. Further, these customers will be sufficiently notified of the transaction and their rights.

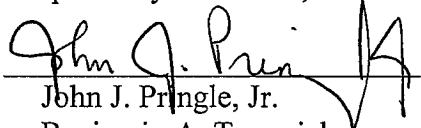
In addition, the exit of Acceris from the telecommunications marketplace does not present any competitive concerns. In the geographic markets in which the operations of First and Acceris overlap, the market share of First post-close in the local service market will be less than 5 percent. In the geographic markets in which the operations of First and Acceris do not overlap, First will simply step into the shoes of Acceris with respect to market share. The Applicants note

that there are a number of other carriers operating in each market, including the incumbent carrier, which in each market controls a substantial market share.

In sum, grant of this Application will serve the public interest by strengthening the competitive position of First without negative impact to Acceris customers or competition in the markets in which Acceris operates.

WHEREFORE, the Applicants respectfully request that the Commission (i) approve the transfer of certain assets, including customers, of Acceris Management and Acquisition LLC to First Communications, LLC; and (ii) approve the voluntary surrender of the telecommunications authorization and tariff of Acceris Management and Acquisition LLC upon consummation of the customer transfer, and whatever further relief that the Commission deems is appropriate to consummation the transactions described herein.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John J. Pringle, Jr.", is written over a horizontal line.

John J. Pringle, Jr.
Benjamin A. Traywick
ELLIS, LAWHORNE & SIMS, P.A.
1501 Main Street, Suite 500
P.O. Box 2285
Columbia, South Carolina 29202
Telephone: (803) 779-0066
Facsimile: (803) 799-8479

December 18, 2006

Exhibit A

Customer Notification Letters



IMPORTANT INFORMATION REGARDING YOUR TELECOMMUNICATIONS SERVICE.

December 5, 2006

Dear :

We are happy to share some exciting news about your telecommunications services. We are proud to announce that, beginning on or about March 1, 2007, your telecommunications services, formerly provided by Acceris Communications will be provided by First Communications.

Who is First Communications?

First Communications is a full service, facilities-based telecommunications provider located in Northeast Ohio. First Communications serves more than 130,000 business and residential customers across the U.S. with the majority located in Ohio, Michigan and Indiana. First Communications is a solid financial company with 23 straight quarters of profitable growth with a strong equity base, including a Fortune 100 company. For more information about First Communications, please visit the First Communications website www.firstcomm.com.

What does this mean?

First Communications is purchasing the proprietary rights to many of Acceris Communications products, including long distance and circuits. The initial period of transition will involve your account migration to First Communications billing system. Therefore, once the migration is complete, First Communications will support your telecommunications needs.

What happens to my services?

Your services will not be affected during this transition. In fact, from the first day of the transitional period you will experience a superior quality of service led by First Communications veteran staff of Client Care management. During this transition, there will be **NO** change to your rates, service options, or the way that you dial and **NO** interruption in service. Please, also be assured that the operations of Acceris Communications Network Operations Center (NOC) will remain fully functional during this period. Therefore, you will continue to be able to request changes to your service, submit trouble tickets and receive timely troubleshooting resolutions.

Any future changes in rates, terms and conditions of service will be done as prescribed by the Federal Communications Commission (FCC) and your applicable state regulatory commission.

Will I be charged for this change?

Absolutely **NOT!** There will be no charge or fee as a result of this change to First Communications. Please contact First Communications if a charge does appear on your bill. The only difference that you will notice will be the name of your carrier and the look of your new monthly bill.

When will this Change Occur?

No further action is required on your part. First Communications anticipates that the transfer will occur on or about March 1, 2007, provided that the necessary regulatory approvals have been obtained. Beginning on or after that date, First Communications will be providing your service and Acceris Communications will no longer be your service provider. First Communications is

confident that you will find that remaining with us is the smart choice to meet your telecommunications needs; however, First Communications realizes that you have a choice of service providers, and you may choose another carrier at any point, subject to any applicable termination provisions in your contract.

All subscribers receiving this notice, even those who had arranged preferred carrier freezes through their local service providers on the service(s) involved in the transfer, will be transferred to First Communications, unless they select a different carrier before the transfer date. Existing preferred carrier freezes on the service(s) involved in the transfer will be lifted. You must contact your new local service provider (First Communications or other local service provider that you choose) to arrange a new freeze to protect you from unauthorized carrier changes after the transfer.

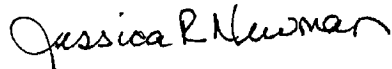
If you have any questions or concerns in regards to service needs, complaints or billing issues, you can also call First Communications at 1.800.274.1015 or prior to the transfer on or around March 1, 2007, call Acceris Communications at 1.800.852.7023, and a representative will assist you.

Welcome to First Communications and thank you for your time.

Sincerely,



Ray Hexamer
Chief Executive Officer
First Communications



Jessica R. Newman
Chief Executive Officer
Acceris Management and Acquisition LLC
d/b/a Acceris Communications

Exhibit B

Notice of Filing

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKETING DEPARTMENT

NOTICE OF FILING

DOCKET NO. 2006-____-C

First Communications, LLC ("First Communications") and Acceris Management and Acquisition LLC ("Acceris") (collectively, "Applicants") have filed an Application with the Public Service Commission of South Carolina ("Commission"), pursuant to S.C. Code Ann. §58-9-300 and §58-9-310 and, requesting that the South Carolina Public Service Commission ("Commission") grant them the authority necessary to consummate transactions involving the transfer of assets of Acceris to First. After consummation of the transactions, First will provide telecommunications services to all of the former customers of Acceris. Acceris will cease operations in South Carolina and surrender their authorizations.

A copy of the application is on file in the offices of the Commission, 101 Executive Center Drive, Columbia, South Carolina 29210, the Commission's website at www.psc.sc.gov, and is available from John J. Pringle, Esquire, Ellis, Lawhorne & Sims, PA, P.O. Box 2285, Columbia, South Carolina 29202.

A public hearing, if scheduled, will be held in Columbia, South Carolina at the offices of the Commission at the above address, for the purpose of receiving testimony and other evidence from all interested parties regarding this Application. The time and date of the hearing will be furnished to all interested parties at a later date.

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before _____, 2007, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. *Please refer to Docket No. 2006-____-C.*

Any person who wishes to be notified of any change in the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Docketing Department in writing at the address below on or before _____, 2007. *Please refer to Docket No. 2006-____-C.*

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of this proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Procedures should contact the Commission at (803) 896-5100.

Public Service Commission of South Carolina
Attn: Docketing Department
Post Office Drawer 11649
Columbia, South Carolina 29211